

Statement of Congressman Daniel Lipinski
House Subcommittee on Health
Hearing on "What's The Cost? Proposals to Provide Consumers With Better Information
About Healthcare Service Costs"
March 16, 2006

Mr. Chairman:

I would like to thank you, Ranking Member Brown, and all the members of the Health Subcommittee, for allowing me the opportunity to speak about healthcare price transparency, specifically, H.R. 3139, the Hospital Price Reporting and Disclosure Act, which I introduced with Representative Bob Inglis of South Carolina.

As healthcare costs continue to rise, families are struggling more and more to figure out how to pay their medical bills. This problem is made worse by the fact that there is no way to know how much you will be charged when you go to a particular hospital for care. Lack of information prevents families from making well-informed, cost-effective choices. This is why I have introduced the Hospital Price Reporting and Disclosure Act, a bipartisan effort to require every hospital to give consumers clear, concise information about what they charge for common procedures and medications.

Most of us would never consider getting our car repaired without first receiving an estimate of the charges, but this is exactly what we do when we need to go to a hospital for treatment. Two summers ago I was involved in a serious bicycle accident. Breaking my hip was certainly the most serious shock, but like anyone else who has experienced time in a hospital, I was hit with a second shock when I received the bill. Just to give you

one example, a tiny single-use packet of ointment was billed to me at almost five dollars. If you walk down the street to any pharmacy you can get a tube 32 times the size for about seven dollars. This led me to ask the question, “Why can’t we know what hospitals charge before we are admitted?” At that point I did what most people would do, conduct a Google search to see if anyone else was asking this question. I found that the state of California had just recently required hospitals to disclose their entire price list – their “charge master.” This disclosure revealed that there was a great disparity between California hospitals in what they charge for common procedures and medications. One hospital charged \$120 for a chest x-ray while another charged more than \$1500. And while a Tylenol capsule was free at one hospital another charged over 7 dollars for the same medicine.

So last year I introduced The Hospital Price Reporting and Disclosure Act to make price information available for all hospitals across the country, and give all Americans the ability to make informed choices about where they seek medical care. This bill would require hospitals to report twice a year to the Secretary of Health and Human Services (HHS) the price they charge for the twenty-five most commonly performed inpatient procedures, the twenty-five most common outpatient procedures, and the fifty most frequently administered medications. These prices would then be posted on a user-friendly web site so that Americans could easily access this information. Our bill does not require the disclosure of the entire charge master because the experience of Californians has suggested that the size and complexity of these lists make it difficult for the average person to find helpful information.

Numerous states besides California have also taken recent action on this issue. My home state of Illinois has passed legislation that provides for disclosure of prices charged by hospitals for both in-patient and out-patient procedures, and states like Wisconsin and Oregon already have this kind of information available to the public on easy to access websites. I highly recommend the Wisconsin website (<http://wipricepoint.org>) to see how well this can be done.

Obviously price is not the only factor that families should take into account when making health care choices. Quality information is also critical, and I am happy that the Centers for Medicare and Medicaid Services (CMS) is beginning to make some quality measures available; more is certainly needed. And the advice of health care professionals will *always* be essential when making care decisions. But these are not reasons to oppose making price information available.

Price information is especially critical to the 46 million uninsured Americans. The recent report on *60 Minutes* demonstrated the high impact that undisclosed hospital prices have on uninsured Americans. While we work to get coverage for the uninsured, we should give them information that will help in their health care choices. We expect to have price information for every other purchase that we make, why shouldn't we have the same when it comes to health care?

This is not a Democratic or a Republican bill. We not only have bipartisan support in the House, but Senators Dick Durbin, Jim Demint, and John Cornyn introduced a companion bill in the Senate. President Bush has also stated his support for price transparency and it's been reported that the Administration has discussed a proposal to have the Department of Health and Human Services implement and oversee a voluntary program that would publicize the prices healthcare providers charge for their services. But when I'm home in Illinois talking to my constituents, they call this bill one thing – common sense. Because when it comes to health care, information is good for you.

I would like to thank the Chairman for the opportunity to speak on my legislation, and I look forward to hearing the testimony of the other witnesses.